December 28, 2011

News Release

Company: Olympus Corporation
Representative Director, President and CEO: Shuichi Takayama
(Code 7733, First Section, Tokyo Stock Exchange)
Contact: Akihiro Nambu, Manager, Public Relations and IR Office

(Corrections) Notice Concerning Partial Corrections to "Consolidated Financial Results (Kessan Tanshin) for the Nine Months of the Fiscal Year Ending March 31, 2009"

Olympus Corporation (the "Company") has proceeded with operations to correct consolidated financial results (kessan tanshin) of past fiscal years as announced in "Notice Concerning Filing of the Amendments to the Past Securities Reports and Partial Corrections to Past Financial Results (Kessan Tanshin) and That for the First Quarter of the Fiscal Year Ending March 2012," a timely disclosure of the Company as prescribed by the Tokyo Stock Exchange dated December 15, 2011.

The Company has now completed the operations to correct "Consolidated Financial Results (Kessan Tanshin) for the Nine Months of the Fiscal Year Ending March 31, 2009" dated February 6, 2009, and it accordingly announces the details of the corrections.

Because corrections have been made in numerous locations, two copies of the full document are attached: the version before corrections and the version after corrections. The places in the document where corrections were made are underlined.

END

(After Correction)

Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2009

February 6, 2009

Company Name: Olympus Corporation
Code Number: 7733
(URL: http://www.olympus.co.jp/)
Stock Exchange Listing: First Section of Tokyo Stock Exchange, First Section of Osaka Securities Exchange
Representative: Tsuyoshi Kikukawa, President and Representative Director
Contact: Hironobu Kawamata, General Manager, Accounting Division
Phone: 03-3340-2111
Scheduled date to submit the Quarterly Report: February 13, 2009

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2009 (From April 1, 2008 to December 31, 2008)

(1) Consolidated Results of Operations (cumulative) (% indicate changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
Nine months ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
December 31, 2008	754,185	–	36,958	–	26,030	–	(35,303)	–
December 31, 2007	–	–	–	–	–	–	–	–

	Net income per share	Fully diluted net income per share
Nine months ended	(¥)	(¥)
December 31, 2008	(131.78)	–
December 31, 2007	–	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
December 31, 2008	1,056,719	111,766	9.8	384.67
March 31, 2008	1,217,172	244,281	19.1	861.58

Note: Equity as of December 31, 2008: ¥ 102,787 million March 31, 2008: ¥ 232,833 million

2. Dividends

	Cash dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Year-end	Annual
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2008	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2009	–	20.00	–	——	——
Fiscal year ending March 31, 2009 (Forecast)	——	——	——	–	–

Note: Revisions of the forecast in the current quarter: Yes
The year-end cash dividend forecast is not determined.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2009
(From April 1, 2008 to March 31, 2009)

(% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	980,000	(13.2)	25,000	(77.8)	8,000	(91.8)	(45,000)	–	(168.41)

Note: Revisions of the forecast in the current quarter: Yes

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the changes in scope of consolidation): No

(2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements: Yes
[Note: For more details, please refer to the section of "4. Others" of "[Qualitative Information and Financial Statements]" on page 6.]

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of "Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements")
1) Changes due to revisions to accounting standards and other regulations: Yes
2) Changes due to other reasons: Yes
[Note: For more details, please refer to the section of "4. Others" of "[Qualitative Information and Financial Statements]" on page 6.]

(4) Number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2008	271,283,608 shares
As of March 31, 2008	271,283,608 shares

2) Number of treasury shares at the end of the period

As of December 31, 2008	4,077,438 shares
As of March 31, 2008	1,044,440 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2008	267,901,018 shares
Nine months ended December 31, 2007	270,281,491 shares

* Proper use of the forecast of financial results, and other special matters

1. Concerning the year-end cash dividend forecast for the current fiscal year, due to uncertainties concerning the future state of the economic environment, a forecast shall be released at the time the full-year financial results of the current fiscal year, and the outlook of earnings of the next fiscal year are known. At this point in time, the end-year dividend forecast is unspecified.
2. The forecast of consolidated financial results which was announced on November 6, 2008, is revised in these materials.
3. The forward-looking statements, including forecast of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of "3. Qualitative Information Regarding Forecast of Consolidated Financial Results" of "[Qualitative Information and Financial Statements]" on page 6 for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof, as well as the specific figures of the forecast revision pertaining to 2. above.
4. Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the "Accounting Standard for Quarterly Financial Reporting" (ASBJ [Accounting Standards Board of Japan] Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14). They are also prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

[Qualitative Information and Financial Statements]

1. Qualitative Information Regarding Consolidated Results of Operations

Because quarterly accounting standards are applied from the current fiscal year, the following includes, as a reference, the percentage change in comparison with the same period of the previous fiscal year (monetary amounts recorded in the same period of the previous fiscal year).

During the nine months of the current fiscal year, the financial crisis in the U.S. became more severe in the latter half of the fiscal year, spreading throughout the global economy, and causing not only economies across the globe to rapidly deteriorate, but also a sudden appreciation of the yen.

In this business environment, the Olympus Group succeeded in strengthening its effective strategies, and the organizational power that makes them a reality, based on our "'06 Corporate Strategic Plan" formulated in 2006 as the medium-term business plan for fortifying our sales framework at a global level in the surgical field of its Medical Systems Business in an effort to leverage the synergy generated with Gyrus, a British medical treatment equipment company made a subsidiary in February 2008.

The Olympus Group's consolidated net sales for the nine months, compared with the same period of the previous fiscal year, was down ¥88,950 million to ¥754,185 million. This figure was attributable to falls in revenue in its Imaging Systems Business, Life Science Business and its Information & Communication Business and other areas as a result of the downturn in the global economy as well as foreign exchange effects despite solid performance in our Medical Systems Business. The consolidated operating income figure was <u>¥36,958 million</u> because the impact of foreign exchange rates, a fall in revenue in the Imaging Systems Business, an increase in depreciation and other expenses incurred following the business integration of Gyrus as well as with respect to other consolidated subsidiaries. The consolidated ordinary income figure was <u>¥26,030 million</u>, due to worsening operating income. A net loss of <u>¥35,303 million</u> was reported, a figure attributable to the recording of an extraordinary losses of <u>¥38,308 million</u>—due to loss on marketable and investment securities of <u>¥10,683 million</u> and collective amortization of goodwill associated with subsidiaries of ¥20,594 million—and income taxes of <u>¥24,616 million</u>, among others.

Research and development (R&D) expenses for the nine months amounted to ¥51,370 million and ¥35,514 million was used in business investment.

Imaging Systems Business

Consolidated net sales in the Imaging Systems Business for the nine months was ¥188,569 million, while operating income reached ¥3,695 million.

Sales remained robust for the "µ [mju:]" Series, with its thin and stylish body and 7x optical zoom lens, as well as for the "µ SW" Series, a tough camera that is water, dust and shock resistant. However, sales volume of digital camera fell overall due to the worsening of the global economy.

Operating income fell due to the impacts of foreign currency rates and falling revenues accompanying falling sales volumes.

Medical Systems Business

Consolidated net sales in the Medical Systems Business for the nine months was ¥289,843 million, while operating income reached <u>¥55,285 million</u>.

Although sales of endoscope systems was lackluster due to the impact of the constraints on business investment by medical institutions that are accompanying the economic recession—particularly in the North American market, sales in the fields of surgical and endotherapy products, such as high-resolution HDTV videoscopes for thoracic (chest) and abdominal cavities, and sampling and pancreatico-biliary therapeutic devices performed strongly.

Moreover, sales from Gyrus, a British medical treatment equipment company made a subsidiary in February 2008, contributed to an overall increase in revenue.

Life Science Business

Consolidated net sales in the Life Science Business for the nine months was ¥88,088 million, while operating income reached ¥2,563 million.

In the diagnostic systems field, there was an overall fall in revenue. Sales of clinical chemistry analyzer expanded overseas, particularly in China, but in the micro-imaging (microscopes) field, sales of industrial microscopes such as flat panel display inspection devices fell due to the constraints on business investment accompanying the global economy's deterioration.

Operating income fell due to the impacts of a decline in sales in the micro-imaging field and the foreign exchange rate.

Information & Communication Business

Consolidated net sales in the Information & Communication Business for the nine months was ¥137,412 million, while operating loss was ¥269 million.

Despite positive results in our automobile aftermarket business, net sales witnessed a decrease mainly due to lower demand for cellular phone terminals as a result of lower consumer spending caused by the economic downturn in addition to the prolongation of the handset renewal cycle following changes in the fee plans of communications service providers involved in the cellular phone terminal sales effectuated by IT Telecom Inc., a player in the mobile field.

An operating loss was recorded as a result of a fall in revenue despite aggressive efforts to control costs to improve profitability.

Others

Consolidated net sales in the other business for the nine months was ¥50,273 million, while operating loss was ¥3,654 million.

Although revenues in each field deteriorated as a result of the global economic recession, in addition to the robustness of sales of the highly functional phased array testing devices in overseas markets in the non-destructive testing equipment field and sales of high-speed inkjet printers in the information equipment field, sales in the biomedical materials field grew steadily and sales in the other businesses overall was roughly equal to the same period in the previous year.

An operating loss was recorded as a result of an increase in amortization of goodwill in subsidiaries that became consolidated subsidiaries in the previous fiscal year.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets at the end of the third quarter of the current fiscal year were ¥1,056,719 million, down ¥160,453 million compared with the end of the previous fiscal year mainly due to the following decreases: ¥39,489 million in notes and accounts receivable, ¥86,180 million in intangible fixed assets, due to the amortization of goodwill, trademarks and other intellectual property and ¥69,974 million in investments and other assets.

Liabilities amounted to ¥944,953 million, down ¥27,938 million compared with the end of the previous fiscal year mainly due to decreases of ¥15,361 million in notes and accounts payable and of ¥21,067 million in accrued expenses.

Net assets totaled ¥111,766 million, down ¥132,515 million compared with the end of the previous fiscal year mainly due to the acquisition of ¥9,998 million worth of treasury stock as a means of returning profits to shareholders, a decrease in retained earnings of ¥44,939 million, and a decrease in valuation and translation adjustments of ¥74,884 million due to fluctuations in exchange rates and share prices.

As a result, equity ratio came to 9.8% from the 19.1% recorded at the end of the previous fiscal year.

Cash flow position

The following are the cash flows for the nine months of the fiscal year ending March 31, 2009 and their causes.

“Cash flows from operating activities” increased by ¥22,616 million mainly due to ¥34,165 million in depreciation and amortization and ¥34,126 million in the amortization of goodwill. Contrastingly, decreasing factors mainly included ¥16,173 million in accrued expenses and ¥30,808 million in income taxes paid.

“Cash flows from investing activities” decreased by ¥720 million mainly due to purchases of property, plant, and equipment totaling ¥31,701 million as well as ¥20,475 million in acquisition of stock of subsidiaries. Contrastingly, increasing factors mainly included ¥3,234 million in withdrawals from time deposits, and ¥2,050 million from the sales and redemption of investment securities.

“Cash flows from financing activities” increased by ¥21,077 million mainly due to a ¥257,157 million in proceeds from long-term debt. Contrastingly, decreasing factors mainly included ¥200,367 million decrease in short-term borrowings, ¥10,223 million expenditure on acquisition of treasury stock and ¥10,438 million in dividends paid.

As a result, the balance of cash and cash equivalents at the end of the third quarter reached ¥155,021 million, an increase of ¥35,179 million compared to that at the end of the previous fiscal year.

3. Qualitative Information Regarding Forecast of Consolidated Financial Results

The strengthening severity of the financial crisis in the U.S. has spread to the global economy and the economies of many countries have entered a receding trend. For this reason, and due to the sudden strengthening of the yen, the revenues of the Olympus Group have also weakened.

In addition, the Company recorded losses on valuation of investment securities and collective amortization of goodwill as extraordinary losses.

Forecasts predict the economic environment will become increasingly severe. Taking these circumstances into consideration, the Company has revised the previously announced forecasts for the full-year consolidated financial results as follows.

In addition, foreign exchange rates in the fourth quarter are expected to be ¥90 per U.S. dollar and ¥115 per euro and the average foreign exchange rates for the entire year, a precondition for the forecast, are expected to be ¥100 per U.S. dollar and ¥142 per euro.

Fiscal year ending March 31, 2009

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous Forecast (A)	1,055,000	73,000	56,000	19,000	71.10
Revised Forecast (B)	980,000	25,000	8,000	(45,000)	(168.41)
Increase (Decrease) (B-A)	(75,000)	(48,000)	(48,000)	(64,000)	–
Increase (Decrease) Ratio (%)	(7.1)	(65.8)	(85.7)	–	–

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the changes in scope of consolidation)

No items to report

(2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

1) Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rates after applying tax effect accounting against income before provision for income taxes for the fiscal year including the quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

2) Valuation method of inventories

With respect to the calculation of inventories at the end of the third quarter, physical inventories were omitted and a reasonable calculation method was employed based on the physical inventories at the end of the second quarter.
In addition, concerning the write-down of the book value of inventories, only for those items whose drop in profitability became apparent, an estimate of net sale value is made and book values are written down.

3) Calculation method of depreciation of fixed assets

Depreciation expenses for assets that are depreciated using the declining-balance method are calculated by proportionally dividing the annual depreciation expenses.

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements

1) Application of accounting standards concerning quarterly financial statements

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 14, 2007) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14, March 14, 2007). They are also prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

2) Application of accounting standards concerning the valuation of inventories

Before the change, inventories held for sale in the ordinary course of business was stated mainly using the lower of cost (first-in first-out) or market method. However, because the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) has been applied from the first quarter, inventories is mainly stated at the cost (first-in first-out) (for the value stated in the balance sheet, the book value is written down based on the decreased profitability). The impact of this change on gains or losses is immaterial.

3) Application of the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

Commencing with the first quarter, the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF Practical Solution No. 18, May 17, 2006) has been applied, and necessary amendments for quarterly consolidated financial statements are made. The impact of this change on gains or losses is immaterial.

4) Application of accounting standards concerning lease transactions

Before the change, the accounting treatment for finance lease transactions not involving the transfer of ownership followed the same method as for operating lease transactions. However, because the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13; Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16; The Japanese Institute of Certified Public Accountants (JICPA) Accounting Standard Committee, January 18, 1994; revised March 30, 2007) can be applied starting from quarterly consolidated financial statements for fiscal years beginning on or after April 1, 2008, commencing with the first quarter, this accounting standard and guidance has been applied and the accounting treatment for such transactions follows the method for ordinary purchase and sales transactions. Meanwhile, depreciation of leased assets pertaining to finance lease transactions not involving the transfer of ownership is computed on a straight-line method over the lease period as useful life without residual value. The impact of this change on gains or losses is immaterial.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008 (Summary)
ASSETS		
Current assets		
Cash and time deposits	156,704	123,281
Notes and accounts receivable	154,066	193,555
Marketable securities	198	3
Merchandise	10,251	10,928
Finished goods	51,661	54,301
Raw materials	18,447	18,544
Work in process	23,853	26,606
Others	91,624	83,751
Allowance for doubtful accounts	(3,994)	(3,780)
Total current assets	502,810	507,189
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	54,409	61,051
Machinery and equipment, net	15,915	17,831
Tools, furniture and fixtures, net	41,598	42,623
Land	19,964	21,273
Lease assets, net	3,500	–
Construction in progress	13,870	6,398
Total property, plant and equipment	149,256	149,176
Intangible fixed assets		
Goodwill	165,652	227,759
Others	79,453	103,526
Total intangible fixed assets	245,105	331,285
Investments and other assets		
Investment securities	71,064	94,006
Investment fund assets	8,896	67,816
Others	84,797	68,115
Allowance for doubtful accounts	(5,209)	(415)
Total investments and other assets	159,548	229,522
Total fixed assets	553,909	709,983
Total assets	1,056,719	1,217,172

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008 (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable	68,241	83,602
Short-term borrowings	106,091	338,787
Current maturities of bonds	25,014	35,201
Income taxes payable	15,946	14,271
Warranty reserve	8,390	10,141
Other reserves	72	133
Others	137,842	162,738
Total current liabilities	361,596	644,872
Long-term liabilities		
Long-term bonds, less current maturities	130,500	105,397
Long-term borrowings, less current maturities	401,256	177,371
Severance and retirement allowance	12,245	10,317
Other reserves	127	574
Others	39,229	34,360
Total long-term liabilities	583,357	328,019
Total liabilities	944,953	972,891
NET ASSETS		
Shareholders' equity		
Common stock	48,332	48,332
Capital surplus	73,049	73,049
Retained earnings	70,346	115,285
Treasury stock, at cost	(12,857)	(2,634)
Total shareholders' equity	178,870	234,032
Valuation and translation adjustments		
Net unrealized holding gains on available-for-sale securities, net of taxes	(3,065)	5,334
Net unrealized gains (losses) on hedging derivatives, net of taxes	1,693	34
Foreign currency translation adjustments	(74,711)	(6,567)
Total valuation and translation adjustments	(76,083)	(1,199)
Minority interests	8,979	11,448
Total net assets	111,766	244,281
Total liabilities and net assets	1,056,719	1,217,172

(2) Consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2008
Net sales	754,185
Costs of sales	393,045
Gross profit	361,140
Selling, general and administrative expenses	324,182
Operating income	36,958
Non-operating income	
Interest income	2,173
Dividends income	893
Foreign currency exchange gain	3,068
Others	2,528
Total non-operating income	8,662
Non-operating expenses	
Interest expenses	11,849
Others	7,741
Total non-operating expenses	19,590
Ordinary income	26,030
Extraordinary income	
Gain on sales of investment securities	–
Total extraordinary income	–
Extraordinary losses	
Impairment loss on fixed assets	952
Losses on valuation of investment securities	10,683
Amortization of goodwill	20,594
Loss on funds invested	1,316
Provision of allowance for doubtful accounts	4,763
Total extraordinary losses	38,308
Income (loss) before provision for income taxes	(12,278)
Income taxes	24,616
Minority interests in losses of consolidated subsidiaries	(1,591)
Net income (loss)	(35,303)

(3) Consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2008
Cash flows from operating activities	
Income (loss) before provision for income taxes	(12,278)
Depreciation and amortization	34,165
Impairment loss on fixed assets	952
Amortization of goodwill	34,126
Increase (decrease) of severance and retirement allowance	2,548
Interest and dividend income	(3,066)
Interest expenses	11,849
Loss on funds invested	1,316
Loss (gain) on marketable and investment securities	10,683
Decrease (increase) in accounts receivable	19,226
Decrease (increase) in inventories	(5,374)
Increase (decrease) in accounts payable	(12,248)
Increase (decrease) in other payable	2,868
Increase (decrease) in accrued expenses	(16,173)
Increase (decrease) in allowance for doubtful accounts on funds	4,763
Other	(7,858)
Subtotal	65,501
Interest and dividend received	3,117
Interest payments	(10,431)
Outflow of money from funds	(4,763)
Income taxes paid	(30,808)
Net cash provided by operating activities	22,616

(Millions of yen)

	Nine months ended December 31, 2008
Cash flows from investing activities	
Deposits in time deposits	(2,673)
Withdrawals from time deposits	3,234
Purchases of property, plant and equipment	(31,701)
Purchases of intangible fixed assets	(3,978)
Purchases of investment securities	(4,067)
Sales and redemption of investment securities	2,050
Payments for acquisition of new consolidated subsidiaries	(128)
Net decrease from sales of investment in subsidiaries related to changes in scope of consolidation	(95)
Payments for additional acquisition of consolidated subsidiaries	(20,475)
Collection of fund assets invested	76,615
Money transfer of funds	(19,012)
Other	(491)
Net cash used in investing activities	(720)
Cash flows from financing activities	
Increase (decrease) in short-term borrowings	(200,367)
Proceeds from long-term debt	257,157
Repayments of long-term debt	(29,633)
Proceeds from issuance of bonds	45,166
Redemption of bonds	(30,185)
Expenditure on acquisition of treasury stock	(10,223)
Dividends paid	(10,438)
Other	(400)
Net cash provided by financing activities	21,077
Effect of exchange rate changes on cash and cash equivalents	(7,957)
Net increase (decrease) in cash and cash equivalents	35,015
Cash and cash equivalents at beginning of year	119,842
Net decrease in cash and cash equivalents associated with exclusion from scope of consolidation	(6)
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	170
Cash and cash equivalents at end of year	155,021

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 14, 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14, March 14, 2007). They are also prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

(4) Notes on premise of going concern

No items to report

(5) Segment information

a. Segment information by type of business

Nine months of the fiscal year ending March 31, 2009 (from April 1, 2008 to December 31, 2008)

(Millions of yen)

	Imaging Systems	Medical Systems	Life Science	Information & Communi-cation	Others	Total	Elimination or Unallocation	Consolidated
Net sales								
(1) Sales to outside customers	188,569	289,843	88,088	137,412	50,273	754,185	–	754,185
(2) Internal sales of transfer among segments	99	47	148	–	262	556	(556)	–
Total	188,668	289,890	88,236	137,412	50,535	754,741	(556)	754,185
Operating income (or operating loss)	3,695	55,285	2,563	(269)	(3,654)	57,620	(20,662)	36,958

Notes: 1. Method of segmentation of business

Businesses established based on product line are segmented taking into consideration similarities in sales markets.

2. The main products for each business

(1) Imaging Systems: Digital cameras, Voice recorders

(2) Medical Systems: Medical endoscopes, Surgical endoscopes, Endo Therapy products, Ultrasound endoscopes

(3) Life Science: Blood analyzer (clinical chemistry analyzer), Biological microscopes, Industrial microscopes

(4) Information & Communication: Sales of mobile terminals including mobile handsets, Development and sales of business package software, Mobile solution, Mobile content services, Sales of network infrastructure systems, Sales of semiconductor devices and electric equipment

(5) Others: Industrial endoscopes, Non-destructive testing equipment, Printers, Bar code data processing equipment, System development, etc.

b. Segment information by region

Nine months of the fiscal year ending March 31, 2009 (from April 1, 2008 to December 31, 2008)

(Millions of yen)

	Japan	Americas	Europe	Asia	Total	Elimination or Unallocation	Consolidated
Net sales							
(1) Sales to outside customers	289,896	201,830	204,534	57,925	754,185	–	754,185
(2) Internal sales or transfer among segments	211,339	6,641	14,066	65,550	297,596	(297,596)	–
Total	501,235	208,471	218,600	123,475	1,051,781	(297,596)	754,185
Operating income	28,712	5,993	13,265	7,858	55,828	(18,870)	36,958

Notes: 1. Countries and regions are segmented by geographical proximity.

2. Major countries and regions other than Japan are as follows:

(1) Americas: USA, Canada, Mexico, and Brazil

(2) Europe: Germany, UK, France, etc.

(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

c. Overseas sales

Nine months of the fiscal year ending March 31, 2009 (from April 1, 2008 to December 31, 2008)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	186,265	206,048	91,559	18,471	502,343
II. Consolidated sales					754,185
III. Percentage of overseas sales in consolidated sales (%)	24.7	27.4	12.1	2.4	66.6

Notes: 1. Overseas sales refer to the sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.

2. Regions are segmented by geographical proximity.

3. Major countries and regions other than Japan are as follows:

(1) North America: USA, Canada

(2) Europe: Germany, UK, France, etc.

(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

(4) Others: Central and South America, Africa, etc.

(6) Notes on significant changes in the amount of shareholders’ equity

The Company effectuated an acquisition of treasury stock in accordance with the provisions of Article 156 of the Company Law applied by replacing Article 165, Paragraph 3 of said Law. As a result of this acquisition, treasury stock increased ¥9,998 million (2,958,000 shares).

(Before Correction)

Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2009

February 6, 2009

Company Name: Olympus Corporation
Code Number: 7733
(URL: http://www.olympus.co.jp/)
Stock Exchange Listing: First Section of Tokyo Stock Exchange, First Section of Osaka Securities Exchange
Representative: Tsuyoshi Kikukawa, President and Representative Director
Contact: Hironobu Kawamata, General Manager, Accounting Division
Phone: 03-3340-2111
Scheduled date to submit the Quarterly Report: February 13, 2009

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2009 (From April 1, 2008 to December 31, 2008)

(1) Consolidated Results of Operations (cumulative) (% indicate changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
Nine months ended	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
December 31, 2008	754,185	–	29,945	–	19,864	–	(27,672)	–
December 31, 2007	843,135	10.3	91,507	17.5	77,961	24.2	51,653	27.5

	Net income per share	Fully diluted net income per share
Nine months ended	(¥)	(¥)
December 31, 2008	(103.29)	–
December 31, 2007	191.11	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(¥ million)	(¥ million)	%	(¥)
December 31, 2008	1,195,106	241,281	19.4	869.37
March 31, 2008	1,358,349	367,876	26.2	1,318.65

Note: Equity as of December 31, 2008: ¥ 232,302 million March 31, 2008: ¥ 356,351 million

2. Dividends

	Cash dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Year-end	Annual
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal year ended March 31, 2008	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2009	–	20.00	–	——	——
Fiscal year ending March 31, 2009 (Forecast)	——	——	——	–	–

Note: Revisions of the forecast in the current quarter: Yes
The year-end cash dividend forecast is not determined.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

(% indicate changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full year	980,000	(13.2)	25,000	(77.8)	8,000	(91.4)	(45,000)	–	(168.41)

Note: Revisions of the forecast in the current quarter: Yes

4. Others

(2) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the changes in scope of consolidation): No

(2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements: Yes
[Note: For more details, please refer to the section of “4. Others” of “[Qualitative Information and Financial Statements]” on page 6.]

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of “Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements”)
1) Changes due to revisions to accounting standards and other regulations: Yes
2) Changes due to other reasons: Yes
[Note: For more details, please refer to the section of “4. Others” of “[Qualitative Information and Financial Statements]” on page 6.]

(4) Number of issued shares (common stock)
1) Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2008	271,283,608 shares
As of March 31, 2008	271,283,608 shares

2) Number of treasury shares at the end of the period

As of December 31, 2008	4,077,438 shares
As of March 31, 2008	1,044,440 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2008	267,901,018 shares
Nine months ended December 31, 2007	270,281,491 shares

* Proper use of the forecast of financial results, and other special matters
1. Concerning the year-end cash dividend forecast for the current fiscal year, due to uncertainties concerning the future state of the economic environment, a forecast shall be released at the time the full-year financial results of the current fiscal year, and the outlook of earnings of the next fiscal year are known. At this point in time, the end-year dividend forecast is unspecified.
2. The forecast of consolidated financial results which was announced on November 6, 2008, is revised in these materials.
3. The forward-looking statements, including forecast of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to the section of “3. Qualitative Information Regarding Forecast of Consolidated Financial Results” of “[Qualitative Information and Financial Statements]” on page 5 for the suppositions that form the assumptions for the forecast and cautions concerning the use thereof, as well as the specific figures of the forecast revision pertaining to 2. above.
4. Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the “Accounting Standard for Quarterly Financial Reporting” (ASBJ [Accounting Standards Board of Japan] Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). They are also prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

[Qualitative Information and Financial Statements]

1. Qualitative Information Regarding Consolidated Results of Operations

Because quarterly accounting standards are applied from the current fiscal year, the following includes, as a reference, the percentage change in comparison with the same period of the previous fiscal year (monetary amounts recorded in the same period of the previous fiscal year).

During the nine months of the current fiscal year, the financial crisis in the U.S. became more severe in the latter half of the fiscal year, spreading throughout the global economy, and causing not only economies across the globe to rapidly deteriorate, but also a sudden appreciation of the yen.

In this business environment, the Olympus Group succeeded in strengthening its effective strategies, and the organizational power that makes them a reality, based on our "'06 Corporate Strategic Plan" formulated in 2006 as the medium-term business plan for fortifying our sales framework at a global level in the surgical field of its Medical Systems Business in an effort to leverage the synergy generated with Gyrus, a British medical treatment equipment company made a subsidiary in February 2008.

The Olympus Group's consolidated net sales for the nine months, compared with the same period of the previous fiscal year, was down ¥88,950 million to ¥754,185 million (a decrease of 10.5%). This figure was attributable to falls in revenue in its Imaging Systems Business, Life Science Business and its Information & Communication Business and other areas as a result of the downturn in the global economy as well as foreign exchange effects despite solid performance in our Medical Systems Business. The consolidated operating income figure was ¥29,945 million (down 67.3%) because the impact of foreign exchange rates, a fall in revenue in the Imaging Systems Business, an increase in depreciation and other expenses incurred following the business integration of Gyrus as well as with respect to other consolidated subsidiaries. The consolidated ordinary income figure was ¥19,864 million (down 74.5%), due to worsening operating income. A net loss of ¥27,672 million (compared with a net income of ¥51,653 million in the same period of the previous fiscal year) was reported, a figure attributable to the recording of an extraordinary losses of ¥31,834 million—due to loss on marketable and investment securities of ¥10,288 million and collective amortization of goodwill associated with subsidiaries of ¥20,594 million—and income taxes of ¥17,962 million, among others.

With respect to foreign currency exchange rates, compared with the same period of the previous fiscal year, the yen greatly appreciated against both the U.S. dollar and the euro, with average rates during the period at ¥102.84 per dollar and ¥150.70 per euro. These rates caused a decrease of ¥54,800 million in net sales, compared with the same period of the previous fiscal year, and a decrease of ¥15,100 million in operating income.

Research and development (R&D) expenses for the nine months amounted to ¥51,370 million and ¥35,514 million was used in business investment.

Imaging Systems Business

Consolidated net sales in the Imaging Systems Business for the nine months was ¥188,569 million (a 25.6% decrease over the same period of the previous fiscal year), while operating income reached ¥3,695 million (down 88.4%).

Sales remained robust for the "μ [mju:]" Series, with its thin and stylish body and 7x optical zoom lens, as well as for the "μ SW" Series, a tough camera that is water, dust and shock resistant. However, sales volume of digital camera fell overall due to the worsening of the global economy.

Operating income fell due to the impacts of foreign currency rates and falling revenues accompanying falling sales volumes.

Medical Systems Business

Consolidated net sales in the Medical Systems Business for the nine months was ¥289,843 million (a 13.6% increase over the same period of the previous fiscal year), while operating income reached ¥54,259 million (down 27.0%).

Although sales of endoscope systems was lackluster due to the impact of the constraints on business investment by medical institutions that are accompanying the economic recession—particularly in the North American market, sales in the fields of surgical and endotherapy products, such as high-resolution HDTV videoscopes for thoracic (chest) and abdominal cavities, and sampling and pancreatico-biliary therapeutic devices performed strongly.

Moreover, sales from Gyrus, a British medical treatment equipment company made a subsidiary in February 2008, contributed to an overall increase in revenue.

Operating income dropped as a result of the further strengthening yen and an increase in depreciation costs due to the business integration with Gyrus.

Life Science Business

Consolidated net sales in the Life Science Business for the nine months was ¥88,088 million (a 5.9% decrease over the same period of the previous fiscal year), while operating income reached ¥2,563 million (down 47.4%).

In the diagnostic systems field, there was an overall fall in revenue. Sales of clinical chemistry analyzer expanded overseas, particularly in China, but in the micro-imaging (microscopes) field, sales of industrial microscopes such as flat panel display inspection devices fell due to the constraints on business investment accompanying the global economy's deterioration.

Operating income fell due to the impacts of a decline in sales in the micro-imaging field and the foreign exchange rate.

Information & Communication Business

Consolidated net sales in the Information & Communication Business for the nine months was ¥137,412 million (a 28.0% decrease over the same period of the previous fiscal year), while operating loss was ¥269 million (compared with an operating income of ¥836 million in the same period of the previous fiscal year).

Despite positive results in our automobile aftermarket business, net sales witnessed a decrease mainly due to lower demand for cellular phone terminals as a result of lower consumer spending caused by the economic downturn in addition to the prolongation of the handset renewal cycle following changes in the fee plans of communications service providers involved in the cellular phone terminal sales effectuated by IT Telecom Inc., a player in the mobile field.

An operating loss was recorded as a result of a fall in revenue despite aggressive efforts to control costs to improve profitability.

Others

Consolidated net sales in the other business for the nine months was ¥50,273 million (up 0.5% compared with the same period of the previous fiscal year), while operating loss was ¥9,641 million (compared with an operating income of ¥1,746 million in the same period of the previous fiscal year).

Although revenues in each field deteriorated as a result of the global economic recession, in addition to the robustness of sales of the highly functional phased array testing devices in overseas markets in the non-destructive testing equipment field and sales of high-speed inkjet printers in the information equipment field, sales in the biomedical materials field grew steadily and sales in the other businesses overall was roughly equal to the same period in the previous year.

An operating loss was recorded as a result of an increase in amortization of goodwill in subsidiaries that became consolidated subsidiaries in the previous fiscal year.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets at the end of the third quarter of the current fiscal year were ¥1,195,106 million, down ¥163,243 million compared with the end of the previous fiscal year mainly due to the following decreases: ¥39,489 million in notes and accounts receivable, ¥77,169 million in intangible fixed assets, due to the amortization of goodwill, trademarks and other intellectual property and ¥46,484 million in investments and other assets.

Liabilities amounted to ¥953,825 million, down ¥36,648 million compared with the end of the previous fiscal year mainly due to decreases of ¥15,361 million in notes and accounts payable and of ¥21,067 million in accrued expenses.

Net assets totaled ¥241,281 million, down ¥126,595 million compared with the end of the previous fiscal year mainly due to the acquisition of ¥9,998 million worth of treasury stock as a means of returning profits to shareholders, a decrease in retained earnings of ¥37,306 million, and a decrease in valuation and translation adjustments of ¥76,520 million due to fluctuations in exchange rates and share prices.

As a result, equity ratio came to 19.4% from the 26.2% recorded at the end of the previous fiscal year.

Cash flow position

The following are the cash flows for the nine months of the fiscal year ending March 31, 2009 and their causes.

“Cash flows from operating activities” increased by ¥27,379 million mainly due to ¥34,328 million in depreciation and amortization and ¥40,953 million in the amortization of goodwill. Contrastingly, decreasing factors mainly included ¥16,173 million in accrued expenses and ¥30,808 million in income taxes paid.

“Cash flows from investing activities” decreased by ¥5,484 million mainly due to purchases of property, plant, and equipment totaling ¥31,701 million as well as ¥39,486 million in acquisition of stock of subsidiaries. Contrastingly, increasing factors mainly included ¥38,234 million in withdrawals from time deposits, and ¥38,901 million from the sales and redemption of investment securities.

“Cash flows from financing activities” increased by ¥21,077 million mainly due to a ¥257,157 million in proceeds from long-term debt. Contrastingly, decreasing factors mainly included ¥200,367 million decrease in short-term borrowings, ¥10,223 million expenditure on acquisition of treasury stock and ¥10,438 million in dividends paid.

As a result, the balance of cash and cash equivalents at the end of the third quarter reached ¥155,021 million, an increase of ¥35,179 million compared to that at the end of the previous fiscal year.

3. Qualitative Information Regarding Forecast of Consolidated Financial Results

The strengthening severity of the financial crisis in the U.S. has spread to the global economy and the economies of many countries have entered a receding trend. For this reason, and due to the sudden strengthening of the yen, the revenues of the Olympus Group have also weakened.

In addition, the Company recorded losses on valuation of investment securities and collective amortization of goodwill as extraordinary losses.

Forecasts predict the economic environment will become increasingly severe. Taking these circumstances into consideration, the Company has revised the previously announced forecasts for the full-year consolidated financial results as follows.

In addition, foreign exchange rates in the fourth quarter are expected to be ¥90 per U.S. dollar and ¥115 per euro and the average foreign exchange rates for the entire year, a precondition for the forecast, are expected to be ¥100 per U.S. dollar and ¥142 per euro.

Fiscal year ending March 31, 2009

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous Forecast (A)	1,055,000	73,000	56,000	19,000	71.10
Revised Forecast (B)	980,000	25,000	8,000	(45,000)	(168.41)
Increase (Decrease) (B-A)	(75,000)	(48,000)	(48,000)	(64,000)	–
Increase (Decrease) Ratio (%)	(7.1)	(65.8)	(85.7)	–	–

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the changes in scope of consolidation)

No items to report

(2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

1) Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rates after applying tax effect accounting against income before provision for income taxes for the fiscal year including the quarter under review, and next by multiplying the quarterly income before provision for income taxes by such estimated effective tax rates.

2) Valuation method of inventories

With respect to the calculation of inventories at the end of the third quarter, physical inventories were omitted and a reasonable calculation method was employed based on the physical inventories at the end of the second quarter.
In addition, concerning the write-down of the book value of inventories, only for those items whose drop in profitability became apparent, an estimate of net sale value is made and book values are written down.

3) Calculation method of depreciation of fixed assets

Depreciation expenses for assets that are depreciated using the declining-balance method are calculated by proportionally dividing the annual depreciation expenses.

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements

1) Application of accounting standards concerning quarterly financial statements

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 14, 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14, March 14, 2007). They are also prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

2) Application of accounting standards concerning the valuation of inventories

Before the change, inventories held for sale in the ordinary course of business was stated mainly using the lower of cost (first-in first-out) or market method. However, because the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) has been applied from the first quarter, inventories is mainly stated at the cost (first-in first-out) (for the value stated in the balance sheet, the book value is written down based on the decreased profitability). The impact of this change on gains or losses is immaterial.

3) Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

Commencing with the first quarter, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF Practical Solution No. 18, May 17, 2006) has been applied, and necessary amendments for quarterly consolidated financial statements are made. The impact of this change on gains or losses is immaterial.

4) Application of accounting standards concerning lease transactions

Before the change, the accounting treatment for finance lease transactions not involving the transfer of ownership followed the same method as for operating lease transactions. However, because the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16; The Japanese Institute of Certified Public Accountants (JICPA) Accounting Standard Committee, January 18, 1994; revised March 30, 2007) can be applied starting from quarterly consolidated financial statements for fiscal years beginning on or after April 1, 2008, commencing with the first quarter, this accounting standard and guidance has been applied and the accounting treatment for such transactions follows the method for ordinary purchase and sales transactions. Meanwhile, depreciation of leased assets pertaining to finance lease transactions not involving the transfer of ownership is computed on a straight-line method over the lease period as useful life without residual value. The impact of this change on gains or losses is immaterial.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008 (Summary)
ASSETS		
Current assets		
Cash and time deposits	156,704	158,281
Notes and accounts receivable	154,066	193,555
Marketable securities	198	3
Merchandise	10,251	10,928
Finished goods	51,661	54,301
Raw materials	19,267	18,989
Work in process	23,853	26,606
Others	91,624	83,751
Allowance for doubtful accounts	(3,902)	(3,109)
Total current assets	503,722	543,305
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	54,650	61,305
Machinery and equipment, net	16,387	18,350
Tools, furniture and fixtures, net	41,641	42,692
Land	19,981	21,291
Lease assets, net	3,500	–
Construction in progress	13,870	6,398
Total property, plant and equipment	150,029	150,036
Intangible fixed assets		
Goodwill	246,803	299,800
Others	80,058	104,230
Total intangible fixed assets	326,861	404,030
Investments and other assets		
Investment securities	135,426	193,843
Others	79,514	67,550
Allowance for doubtful accounts	(446)	(415)
Total investments and other assets	214,494	260,978
Total fixed assets	691,384	815,044
Total assets	1,195,106	1,358,349

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008 (Summary)
LIABILITIES		
Current liabilities		
Notes and accounts payable	68,241	83,602
Short-term borrowings	106,091	338,787
Current maturities of bonds	25,014	35,201
Income taxes payable	9,142	14,121
Warranty reserve	8,390	10,141
Other reserves	72	133
Others	137,407	180,469
Total current liabilities	354,357	662,454
Long-term liabilities		
Long-term bonds, less current maturities	130,500	105,397
Long-term borrowings, less current maturities	417,366	177,371
Severance and retirement allowance	12,245	10,317
Other reserves	127	574
Others	39,230	34,360
Total long-term liabilities	599,468	328,019
Total liabilities	953,825	990,473
NET ASSETS		
Shareholders’ equity		
Common stock	48,332	48,332
Capital surplus	73,049	73,049
Retained earnings	200,511	237,817
Treasury stock, at cost	(12,857)	(2,634)
Total shareholders’ equity	309,035	356,564
Valuation and translation adjustments		
Net unrealized holding gains on available-for-sale securities, net of taxes	(2,325)	6,320
Net unrealized gains (losses) on hedging derivatives, net of taxes	1,693	34
Foreign currency translation adjustments	(76,101)	(6,567)
Total valuation and translation adjustments	(76,733)	(213)
Minority interests	8,979	11,525
Total net assets	241,281	367,876
Total liabilities and net assets	1,195,106	1,358,349

(2) Consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2008
Net sales	754,185
Costs of sales	393,092
Gross profit	361,093
Selling, general and administrative expenses	331,148
Operating income	29,945
Non-operating income	
Interest income	2,173
Dividends income	893
Foreign currency exchange gain	3,068
Others	2,795
Total non-operating income	8,929
Non-operating expenses	
Interest expenses	11,849
Others	7,161
Total non-operating expenses	19,010
Ordinary income	19,864
Extraordinary income	
Gain on sales of investment securities	657
Total extraordinary income	657
Extraordinary losses	
Impairment loss on fixed assets	952
Losses on valuation of investment securities	10,288
Amortization of goodwill	20,594
Total extraordinary losses	31,834
Income (loss) before provision for income taxes	(11,313)
Income taxes	17,962
Minority interests in losses of consolidated subsidiaries	(1,603)
Net income (loss)	(27,672)

(3) Consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2008
Cash flows from operating activities	
Income (loss) before provision for income taxes	(11,313)
Depreciation and amortization	34,328
Impairment loss on fixed assets	952
Amortization of goodwill	40,953
Increase (decrease) of severance and retirement allowance	2,548
Interest and dividend income	(3,066)
Interest expenses	11,849
Loss (gain) on marketable and investment securities	10,288
Decrease (increase) in accounts receivable	19,226
Decrease (increase) in inventories	(5,749)
Increase (decrease) in accounts payable	(12,248)
Increase (decrease) in other payable	2,868
Increase (decrease) in accrued expenses	(16,173)
Other	(8,962)
Subtotal	65,501
Interest and dividend received	3,117
Interest payments	(10,431)
Income taxes paid	(30,808)
Net cash provided by operating activities	27,379
Cash flows from investing activities	
Deposits in time deposits	(2,673)
Withdrawals from time deposits	38,234
Purchases of property, plant and equipment	(31,701)
Purchases of intangible fixed assets	(3,978)
Purchases of investment securities	(4,067)
Sales and redemption of investment securities	38,901
Payments for acquisition of new consolidated subsidiaries	(128)
Net decrease from sales of investment in subsidiaries related to changes in scope of consolidation	(95)
Payments for additional acquisition of consolidated subsidiaries	(39,486)
Other	(491)
Net cash used in investing activities	(5,484)

(Millions of yen)

	Nine months ended December 31, 2008
Cash flows from financing activities	
Increase (decrease) in short-term borrowings	(200,367)
Proceeds from long-term debt	257,157
Repayments of long-term debt	(29,633)
Proceeds from issuance of bonds	45,166
Redemption of bonds	(30,185)
Expenditure on acquisition of treasury stock	(10,223)
Dividends paid	(10,438)
Other	(400)
Net cash provided by financing activities	21,077
Effect of exchange rate changes on cash and cash equivalents	(7,957)
Net increase (decrease) in cash and cash equivalents	35,015
Cash and cash equivalents at beginning of year	119,842
Net decrease in cash and cash equivalents associated with exclusion from scope of consolidation	(6)
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	170
Cash and cash equivalents at end of year	155,021

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 14, 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14, March 14, 2007). They are also prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

(4) Notes on premise of going concern

No items to report

(5) Segment information

a. Segment information by type of business

Nine months of the fiscal year ending March 31, 2009 (from April 1, 2008 to December 31, 2008)

(Millions of yen)

	Imaging Systems	Medical Systems	Life Science	Information & Communi-cation	Others	Total	Elimination or Unallocation	Consolidated
Net sales								
(1) Sales to outside customers	188,569	289,843	88,088	137,412	50,273	754,185	–	754,185
(2) Internal sales of transfer among segments	99	47	148	–	262	556	(556)	–
Total	188,668	289,890	88,236	137,412	50,535	754,741	(556)	754,185
Operating income (or operating loss)	3,695	54,259	2,563	(269)	(9,641)	50,607	(20,662)	29,945

Notes: 1. Method of segmentation of business

Businesses established based on product line are segmented taking into consideration similarities in sales markets.

2. The main products for each business

(1) Imaging Systems: Digital cameras, Voice recorders

(2) Medical Systems: Medical endoscopes, Surgical endoscopes, Endo Therapy products, Ultrasound endoscopes

(3) Life Science: Blood analyzer (clinical chemistry analyzer), Biological microscopes, Industrial microscopes

(4) Information & Communication: Sales of mobile terminals including mobile handsets, Development and sales of business package software, Mobile solution, Mobile content services, Sales of network infrastructure systems, Sales of semiconductor devices and electric equipment

(5) Others: Industrial endoscopes, Non-destructive testing equipment, Printers, Bar code data processing equipment, System development, etc.

b. Segment information by region

Nine months of the fiscal year ending March 31, 2009 (from April 1, 2008 to December 31, 2008)

(Millions of yen)

	Japan	Americas	Europe	Asia	Total	Elimination or Unallocation	Consolidated
Net sales							
(1) Sales to outside customers	289,896	201,830	204,534	57,925	754,185	–	754,185
(2) Internal sales or transfer among segments	211,339	6,641	14,066	65,550	297,596	(297,596)	–
Total	501,235	208,471	218,600	123,475	1,051,781	(297,596)	754,185
Operating income	22,725	5,086	13,146	7,858	48,815	(18,870)	29,945

Notes: 1. Countries and regions are segmented by geographical proximity.

2. Major countries and regions other than Japan are as follows:

(1) Americas: USA, Canada, Mexico, and Brazil

(2) Europe: Germany, UK, France, etc.

(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

c. Overseas sales

Nine months of the fiscal year ending March 31, 2009 (from April 1, 2008 to December 31, 2008)

(Millions of yen)

	North America	Europe	Asia	Others	Total
I. Overseas sales	186,265	206,048	91,559	18,471	502,343
II. Consolidated sales					754,185
III. Percentage of overseas sales in consolidated sales (%)	24.7	27.4	12.1	2.4	66.6

Notes: 1. Overseas sales refer to the sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.

2. Regions are segmented by geographical proximity.

3. Major countries and regions other than Japan are as follows:

(1) North America: USA, Canada

(2) Europe: Germany, UK, France, etc.

(3) Asia: Singapore, Hong Kong, China, Korea, Australia, etc.

(4) Others: Central and South America, Africa, etc.

(6) Notes on significant changes in the amount of shareholders' equity

The Company effectuated an acquisition of treasury stock in accordance with the provisions of Article 156 of the Company Law applied by replacing Article 165, Paragraph 3 of said Law. As a result of this acquisition, treasury stock increased ¥9,998 million (2,958,000 shares).